



For Immediate Release
March 29, 2007

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Hearing Statement of Senator Max Baucus (D-Mont.)
Clean Energy: From the Margins to the Mainstream

One hundred thirty-one years ago this week, Thomas Edison moved his lab from Newark to Menlo Park, creating the world's first industrial research lab. Three years after that, he and his team of scientists produced the world's first reliable, long-lasting light bulb. Three years later, more than 10,000 light bulbs were burning in New York City. Widespread use of electricity spread from there. The world was changed forever.

Today's hearing considers Edison's legacy — the widespread use of consumer electricity. Today we ask: How do we deal with the implications of the technology that Edison produced? And how can we learn from the spirit in which he developed it?

More specifically, what can the Finance Committee do to promote the widespread use of clean, renewable power?

Let's start by looking at what we have already done. Fifteen years ago the Finance Committee — including many among us today -- passed the Production Tax Credit to spur development of renewable electricity.

In 2005, we revised and extended the Production Tax Credit, now known as Section 45. Last year we extended the credit through 2008.

The Production Tax Credit has contributed to a dramatic increase in the production of renewable power. Last year, we saw the largest increase ever for U.S. wind power, with enough power added to power about 650,000 American homes.

But the credit is not an unqualified success. It has lapsed three times since 1999, causing significant dips in renewable-power investment.

This partly explains why America still gets a relatively small percentage of its electricity from renewable sources. Excluding hydroelectric power, which is largely ineligible for section 45, less than three percent of American electricity comes from renewable sources.

So how do we increase the role of renewables in the American power supply? And how do we know when we have succeeded in doing so?

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Should the standard be ten percent of power from renewable sources, as the Senate approved two years ago? Should it be a 15 percent standard, as Montana has pledged by 2015?

This Committee hasn't arrived at an exact number. But I believe it's safe to say that we believe it should be greater than three percent.

To help us work through these important issues, I am pleased to be joined by a distinguished panel of experts at today's hearing, starting with the head of the European Union's delegation to the United States, Ambassador John Bruton.

Ambassador Bruton is the former Prime Minister of Ireland. Before that, he was Ireland's Minister of Industry and Energy.

He oversaw a rapid economic growth in Ireland. And he has ably served the EU as its ambassador to the U.S. since 2004. We're honored to have the Ambassador here to brief the Committee on the EU's plans to increase its share of renewable power. This is a matter of mutual interest and concern to both the United States and the European Union.

Mr. Ambassador, let me first congratulate you on Northern Ireland's power-sharing agreement, announced earlier this week. You played a key role in that peace process. And you're to be congratulated for the fruit it looks poised to bear.

Let me also congratulate you on the European Union's 50th anniversary. The EU has gone from a group of six original members to 27 today. And it is now adjusting to the additions of former communist states like Bulgaria and Romania.

Mr. Ambassador, I thought the Democratic Party was a disparate bunch. We've got nothing on the EU.

I look forward to your presentation on EU approaches to renewable power and the EU's commitment to fighting climate change writ large.

As I mentioned, renewables still comprise a relatively small share of our nation's electricity. Given that, one might ask: 'Why should we spend a significant amount of time and money on this issue?

It's true that 15 years after its enactment, the Production Tax Credit has not realized the potential its authors hoped for.

It's also true that tax incentives for clean energy are expensive — particularly if they are extended for long periods.

But the evidence for action against climate change has never been stronger. We need to make better use of renewable power.

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As for the significant cost of renewable tax incentives, I am open to ideas for reducing their cost, and I look forward to working with this committee — and the stakeholders involved — to that end.

As we consider these critical issues, let us again remember the example of Thomas Edison.

Edison once said, “Many of life’s failures are experienced by people who didn’t realize how close they were to success when they gave up.”

Edison didn’t know whether he would succeed. He didn’t even know whether success was possible. But he stuck to it, and the world is dramatically different as a result.

Like the challenges Edison faced, the obstacles before us are enormous when it comes to energy. The difference between our challenges and Edison’s is that we know we can succeed. All we have to do is look around the world.

We’re honored to a representative from the around the world with us to begin today’s discussion. Ambassador Bruton, thank you for being here, and welcome.

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